



SOUTHWEST WASHINGTON REGIONAL AIRPORT
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Minutes - Airport Operating Board Meeting

Thursday October 10, 2013

Kelso City Hall Council Chambers
203 South Pacific Kelso, WA 98626

Those present were as follows:

Operating Board:

Ken Botero, City of Longview
David Fatcher, City of Kelso
Darold Dietz, Port of Longview
Dennis Weber, County Commissioner

Kelso City Staff:

Brian Butterfield, Finance Director

Airport Staff

George Hext, Airport Manager
Dan Johnson, Operations Manager
Louella Hext, Administrative Assistant
Sharon Zimmerman, (Engineer) Airport Advisor

Don Barclay, Consultant, Reid-Middleton

1. **Call to Order.** Meeting was called to order at 3:00 pm by Chairman Ken Botero.
2. **Pledge of Allegiance.** Pledge was led by Darold Deitz.
3. **Roll Call.** Members of Airport Operations Board present: Board Members Ken Botero, Darold Deitz, David Fatcher and Dennis Weber.
4. **Minutes:** Motion by David Fatcher to accept the September 12th minutes as presented, 2nd by Darold Deitz. Motion carried – unanimously.

Discussion about Tenant's Meeting which was held on Wednesday, September 25, 7:00 pm at the EAA (Experimental Aircraft Association) club room. The following are a summary of the comments made about the tenant's meeting:

- Tenants appreciated the fact that a venue is provided for them to get information, ask questions and hear updates about the airport and the current projects.
- The atmosphere was relaxed – less formal than the first meeting last March.
- A lot of good conversation with the tenants, airport staff and the airport board.
- Sharon Zimmerman reported that she agreed that it was a very friendly meeting with the desire to have conversation about the airport and hear about the vision of the airport board.
- Mr. Dwight Irby stated that it was good meeting, a good job was done promoting it, and that the EAA club house provided a good atmosphere. He hopes to have more tenant's meetings.

One of the discussion topics at the tenant's meeting was how to increase the attendance of the airport tenants at the monthly Airport Board meetings as a way for the tenants to be better informed about the activities and projects at the airport.

Louella Hext reported that an email with an attached agenda was sent to the tenants four days before the October 10th airport board meeting to invite them to the meeting. Two tenants responded that they could not attend. It was noted that only one pilot was in attendance at the October 10th Airport Board meeting. Mr. Botero stated that we are here for the pilots and we need to get the pilots more involved with what's going on at the airport.

Another discussion topic was the amount of funds provided by the four entities (City of Kelso, City of Longview, Cowlitz County and the Port of Longview) for operating expenses. One of the tenants asked the question, "Where does the money go"? There was further discussion about the monthly expenses of operating the airport besides payment for staff; such as electric bills, water bills, telephone, internet, equipment maintenance, portable toilets, etc.

The tenants indicated an interest in receiving the financial reports provided by the City of Kelso Financial Department and were told they will receive the information via email. Mr. Botero agreed that we need to provide the information to tenants.

One of the questions raised at the meeting was "how can we get competitive fuel prices at SWRA?" Mr. Hext explained that we are .43 cents higher per gallon on 100 low lead and slightly over a \$1.00 higher per gallon on jet fuel. Both types of fuel are available at Scappoose at a lower price. He stated that anyone who is taking an extended flight can fly over to Scappoose to purchase their fuel and can save from \$40.00 to \$100.00 dollars, depending on the size of their aircraft

Discussion on motor fuel, which is \$2.00 per gallon less than 100 low lead. Sixty percent of the aircraft based at SWRA can use motor fuel. Currently the pilots are purchasing the motor fuel locally and transporting it to the airport. The aviation fund does not get credit for taxes paid on the motor fuel when it is purchased off the airport.

FBO (Denny Wise) previously has stated that his insurance will not allow him to sell the motor fuel – due to lack of regulation on motor fuel whereas there are Federal regulations on aircraft fuel.

Mr. Hext explained that the tax on aircraft fuel purchased at an airport goes to the state aviation fund and then can be given to airports as grants. The biennium for the aviation program for the state has almost twice as much funds as last year. We will file a capital improvement plan – but will also look at getting state funding.

Mr. Hext stated that one of the keys to getting more tenants at SWRA is getting competitive on fuel prices. He predicted that if the fuel prices were within 8 or 10 cents of Scappoose – people would fuel up at SWRA.

Darold Dietz said he would like to have a study group find out how to make airport attractive to potential tenants, lower fuel, lower hangar rates. David Fletcher stated that if you put together a study group – it needs to be a group of people that don't have an interest one way or another.

5. Hanger Rates – by George Hext

Mr. Hext provided handouts of hangar rates for SWRA, Scappoose, and Vancouver that show that SWRA is competitive on rental prices, and in a couple of instances higher and couple instances lower.

Discussion about the A-Row hangars and pros and cons of lowering the rates and the financial impact. Mr. Hext was asked if he thought that people would rent the hangars if the rent was lowered. He responded that he does not believe that if the rates were lowered that the hangars would be rented. He further explained that people are cancelling their hangar leases because they are selling their aircraft due to economic conditions.

There was discussion about the various ways to make it attractive for a pilot to rent a hangar at SWRA. One suggestion was to give the first month free on a one-year lease agreement which led to discussion about how the current tenants would react.

Motion by Darold Dietz to advertise that if a new tenant will sign a one year lease and they will receive the first month rent free. Seconded by David Futch. Motion passed with one opposed.

6. Project Updates

Capital Improvement Projects – Sharon Zimmerman

Ms. Zimmerman's report was rescheduled for the November 14th meeting so that the full airport board would be available to hear the report. Mr. Hext reported that Ms. Zimmerman has spent more than 40 hours in research and preparation of the report on Capital Improvement Projects. He stated that it is the most comprehensive analysis of a small airport that he has ever seen and has very important information that the board needs to hear.

Stopway Project – George Hext

Mr. Hext reported that the airport received information from Mary Vargas, (FAA) – that we will receive a letter from the FAA within the next 30 days allowing us to proceed with the Stopway Project. Even if we get the go ahead now it may push us into the 2nd year because of the time required for the environmental impact study and getting the bid-ready documents prepared.

Statham Lease – George Hext

Mr. Hext reported that the airport received information from Mary Vargas, (FAA) – that we will receive a letter from the FAA within the next 30 days approving the lease for Mr. Statham. Mr. Statham expects to proceed with the building of a hangar when the approval is received. Two favorable items: FAA has decided that the loss of the 8 tie-downs on the north edge of that apron will not have to be paid for; they have found that the 20 year life of the pavement has gone by. They also decided that the slurry seal that was put on with a partial grant in 2002 was maintenance not construction.

Mr. Hext advised Mr. Statham that the area between the two rows of hangars built by Prime Development is available for lease and for building hangars on. Mr. Statham has shown that he is a supporter of our airports and is interested in future development on the airport.

Other Business

Mr. Botero stated that the board received a letter from the Hexts stating that they will not renew their contract at the end of December. Mr. Botero had a lengthy meeting with Steve Taylor about some of the issues that are pending and would like to schedule a 2-3 hour work shop for the board and also include Steve Taylor & Bob Gregory. Discussion topics will include where we stand on whose responsibility to do what; where the finances are coming from; what do we contract and what do we not contract. After discussion it was decided to meet on Friday Oct 25, 2013 at the Masthead at noon for a lunch meeting.

Mr. Dietz brought up the topic of how much the four entities will plan to contribute to assist with the financial the airport. There had been discussion of increasing the annual amount by \$5,000.00 which would be a total of \$65,000.00 contributed by each entity. No decision was made at the time.

Mr. Don Barclay gave a brief report about the pending projects and the eventual need for the purchase of some of the property for development on the north side of the airport. Mr. Hext stated that he experienced a situation at another airport in which the property set aside for future development could not be acquired by eminent domain due to the fact that the property was not required by the FAA. He further stated that the state of Washington may deal with it differently.

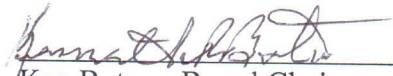
Mr. Weber asked if the board has that power – or does it have to go through the City of Kelso. Mr. Botero stated that it would be one of the topics for the workshop.

Brian Butterfield stated that there may be a need for an infusion of working capital and Kelso may not be in a position to provide that money; it may need to come from one of the other entities.


8. Public Comments:

Mr. Dwight Irby suggested that a system be established regarding making it known to the public that property is available for lease for building purposes and a bid process be developed.

Chairman Mr. Botero adjourned the meeting at 4:15 pm.



Ken Botero, Board Chair



Louella Hext, Secretary